

Solano County Economic Forecast

Solano County is located in the San Francisco Bay Area. The county is surrounded by Napa County to the northwest, Yolo County to the northeast, and Sacramento County to the east. The economy of Solano County has fared far better since the dotcom bust of 2000 than most other Bay Area counties. Solano County has a population of over 420,000 people including 126,800 wage and salary jobs. The per capita income in the county is \$31,160, and the average salary per worker is \$44,660.

Employment growth in the composite Northern California area was weak in 2004, due primarily to the sluggish Bay Area economies which have yet to fully recover from the technology downturn. In fact, employment in the Bay Area declined by another 1 percent last year. Solano County was one of the few Bay Area counties to have created jobs during 2004. Last year employment improved by 1,400 jobs, a growth rate of 1.1 percent. The unemployment rate declined to 5.9 percent in 2004.

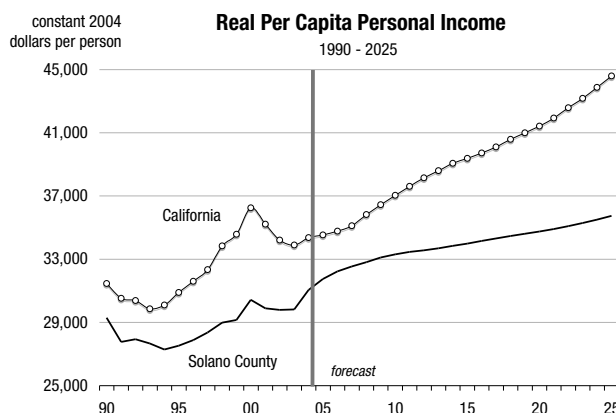
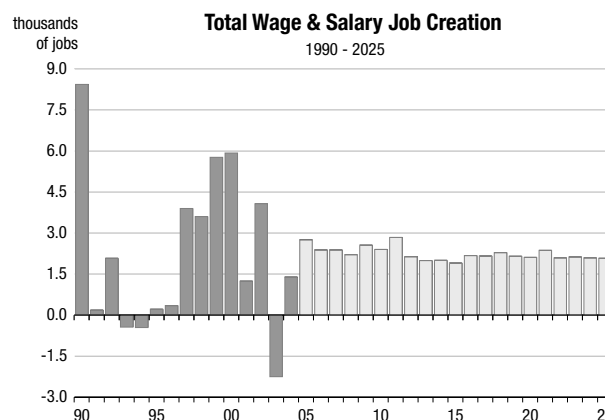
Construction, transportation, and professional services created the most new employment opportunities last year. These three sectors contributed over 1,800 jobs to total 2004 job creation. Employment in manufacturing increased for the first time since 2000, expanding by 120 jobs.

Population growth remains positive in Solano County, but the growth rate is modest at just under one percent. The fastest growing cities in the county are Vacaville and Fairfield, growing 1.5 and 1.1 percent respectively in 2004.

The economy of Solano County never experienced the significant downturn that most other Bay Area counties faced at the turn of the century. Employment and population growth are forecast to continue a pace of positive, but moderate growth for the remainder of the decade. More residential units are forecast for Solano County over the next several years, as population pressures push more Bay Area home buyers into areas that can accommodate more housing.

Forecast Highlights

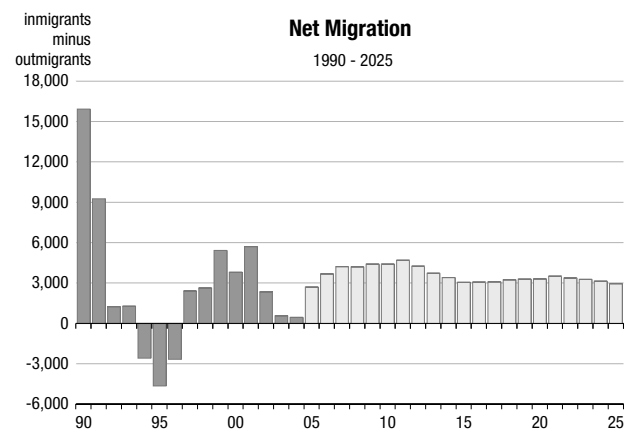
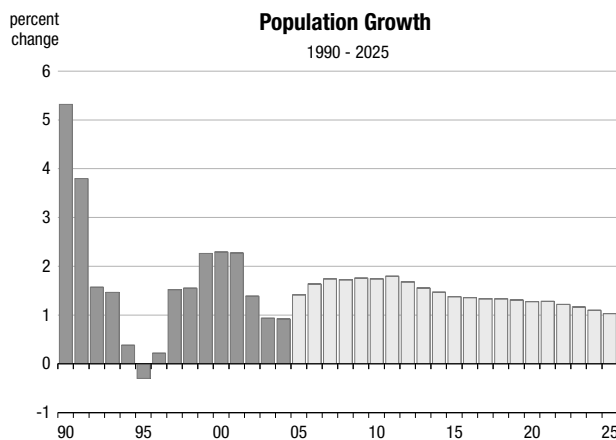
- Job growth will increase in 2005, averaging 2.2 percent. Over the next five years, the average annual growth rate is forecast to average 1.8 percent per year.
- Average salaries adjusted for inflation are currently below the California average, but are increasing at a faster rate than the state average. Real average salaries are forecast to rise an average of 1.5 percent per year over the next 5 years, and will surpass the state average before the end of the current decade.
- Over the next five years, the momentum for employment growth accelerates in professional services, retail trade and education and healthcare services. These sectors are forecast to contribute 58 percent of all job growth in the county during the forecast period.
- Population growth is expected to increase to 1.4 percent in 2005. Annual growth in the 2005 to 2010 period is forecast to average 1.7 percent per year.
- Net migration is forecast to increase in 2005 and remain higher than the historical average for the next ten years. Migration increases because residential production increases. Residential production increases because land is available and housing is more affordable in Solano County.
- Real per capita income is forecast to rise 2.2 percent in 2005. Over the next five years real per capita incomes grow an average of 1.0 percent per year.
- Industrial production is expected to increase 1.2 percent in 2005. Over the next five years the growth rate of industrial production is forecast to increase, rising an average of 1.9 percent per year.



Solano County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1995	367,500	-4,632	288.5	121.8	1,115	\$2.9	\$7.7	\$27,522	2.0	236.6	1.06	7.9
1996	368,300	-2,654	292.1	123.0	1,737	\$3.0	\$8.0	\$27,878	2.3	271.3	1.18	7.6
1997	373,900	2,410	280.8	124.1	1,542	\$3.3	\$8.6	\$28,360	3.4	259.2	1.26	6.4
1998	379,700	2,630	299.4	125.8	2,204	\$3.4	\$9.2	\$28,987	3.2	222.4	1.28	5.5
1999	388,300	5,423	312.2	127.1	1,953	\$3.9	\$9.8	\$29,157	4.2	225.3	1.35	4.6
2000	397,211	3,797	329.5	130.4	2,346	\$4.4	\$11.0	\$30,422	4.5	204.7	1.45	4.2
2001	406,239	5,711	345.6	131.7	2,560	\$4.7	\$11.6	\$29,895	5.4	194.4	1.36	4.1
2002	411,868	2,342	358.8	134.1	2,461	\$5.1	\$11.9	\$29,792	1.6	205.5	1.30	5.5
2003	415,727	572	356.5	136.2	2,678	\$5.3	\$12.3	\$29,823	1.8	216.6	1.52	6.0
2004	419,548	453	364.5	138.2	3,022	\$5.6	\$13.0	\$31,058	1.2	221.1	1.67	5.9
2005	425,498	2,702	373.6	141.1	3,380	\$6.0	\$13.8	\$31,749	1.7	211.8	1.68	5.5
2006	432,463	3,684	384.4	144.3	3,556	\$6.4	\$14.7	\$32,227	2.7	206.9	1.69	5.5
2007	440,004	4,217	395.6	147.6	3,689	\$6.8	\$15.5	\$32,545	2.6	198.5	1.72	5.4
2008	447,602	4,212	406.0	151.0	3,458	\$7.3	\$16.3	\$32,811	2.6	198.4	1.76	5.4
2009	455,468	4,414	417.4	154.2	3,370	\$7.7	\$17.2	\$33,102	2.5	190.2	1.81	5.4
2010	463,419	4,416	428.2	157.4	3,405	\$8.2	\$18.1	\$33,302	2.7	182.1	1.85	5.5
2011	471,742	4,705	439.5	160.5	3,531	\$8.7	\$19.0	\$33,463	2.7	180.5	1.91	5.4
2012	479,681	4,250	449.7	163.8	3,222	\$9.3	\$20.0	\$33,566	2.8	176.6	1.96	5.4
2013	487,152	3,741	458.4	166.8	2,822	\$9.9	\$21.0	\$33,682	2.9	170.2	2.02	5.3
2014	494,306	3,404	466.3	169.5	2,780	\$10.5	\$22.0	\$33,840	2.9	166.0	2.08	5.2
2015	501,113	3,060	473.6	172.1	2,507	\$11.2	\$23.2	\$33,989	3.1	161.1	2.13	5.2
2016	507,913	3,074	481.1	174.4	2,660	\$11.9	\$24.3	\$34,161	3.0	155.9	2.19	5.2
2017	514,692	3,095	488.7	176.9	2,701	\$12.6	\$25.5	\$34,306	2.9	157.1	2.25	5.3
2018	521,560	3,247	496.2	179.4	2,819	\$13.4	\$26.7	\$34,468	2.7	153.8	2.32	5.4
2019	528,396	3,295	503.3	182.0	2,988	\$14.1	\$27.9	\$34,605	2.8	149.8	2.38	5.5
2020	535,157	3,315	510.1	184.8	3,082	\$14.9	\$29.2	\$34,747	2.7	146.5	2.48	5.5
2021	542,024	3,520	518.2	187.7	3,241	\$15.7	\$30.5	\$34,914	2.6	148.5	2.53	5.4
2022	548,640	3,383	526.3	190.7	3,035	\$16.6	\$31.9	\$35,098	2.6	144.4	2.57	5.4
2023	555,027	3,284	534.4	193.5	2,917	\$17.5	\$33.4	\$35,298	2.7	146.1	2.62	5.5
2024	561,125	3,134	542.6	196.2	2,751	\$18.4	\$35.0	\$35,507	2.7	140.2	2.69	5.5
2025	566,901	2,961	551.0	198.8	2,559	\$19.4	\$36.5	\$35,741	2.7	136.2	2.75	5.4



Solano County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
1995	102.8	5.25	6.3	8.6	3.45	17.7	3.38	6.6	1.57	10.4	10.8	24.8
1996	103.1	5.77	6.6	9.3	3.67	17.8	3.38	7.1	1.70	10.7	10.6	22.5
1997	107.0	6.28	7.6	9.4	3.83	18.8	3.38	7.5	1.70	11.4	10.6	22.4
1998	110.6	6.53	7.7	9.7	3.78	18.8	3.39	8.6	1.77	11.9	11.2	23.1
1999	116.4	6.66	8.8	10.1	3.60	19.7	3.56	9.8	1.66	12.5	11.7	24.3
2000	122.4	7.20	9.9	10.3	3.31	20.1	3.83	11.5	1.73	13.7	12.0	24.5
2001	123.6	7.47	10.6	10.0	3.03	20.9	3.82	10.2	1.70	14.3	12.4	25.5
2002	127.7	7.22	10.9	9.5	3.03	21.8	4.68	11.7	1.80	14.5	12.3	26.4
2003	125.4	1.92	11.3	9.0	3.77	22.3	5.83	11.1	1.87	15.6	12.6	25.7
2004	126.8	1.97	12.1	9.2	4.34	22.2	5.87	11.6	1.72	15.5	12.8	25.0
2005	129.6	2.20	12.8	8.9	4.47	22.9	5.99	11.7	1.81	16.1	13.0	25.1
2006	132.0	2.40	13.2	8.7	4.49	23.7	6.05	12.0	1.83	16.6	13.3	25.2
2007	134.3	2.57	13.4	8.4	4.46	24.4	6.07	12.5	1.86	17.0	13.6	25.5
2008	136.6	2.72	13.3	8.2	4.41	25.1	6.17	13.1	1.90	17.4	13.9	25.7
2009	139.1	2.85	13.2	8.1	4.35	25.8	6.23	13.7	1.95	17.8	14.3	26.3
2010	141.5	2.97	13.2	7.9	4.29	26.4	6.39	14.4	2.00	18.2	14.6	26.5
2011	144.4	3.07	13.4	7.8	4.22	27.0	6.52	15.1	2.04	18.6	14.9	27.2
2012	146.5	3.16	13.2	7.7	4.17	27.5	6.53	15.7	2.07	19.1	15.0	27.7
2013	148.5	3.24	12.8	7.6	4.13	28.0	6.61	16.2	2.11	19.6	15.2	28.3
2014	150.5	3.31	12.7	7.5	4.10	28.5	6.63	16.7	2.13	20.1	15.3	28.9
2015	152.4	3.37	12.4	7.4	4.08	29.0	6.71	17.1	2.16	20.6	15.5	29.5
2016	154.6	3.43	12.5	7.3	4.06	29.5	6.79	17.4	2.18	21.1	15.7	30.1
2017	156.8	3.48	12.6	7.2	4.05	29.9	6.85	17.6	2.21	21.5	15.9	30.8
2018	159.0	3.52	12.7	7.1	4.03	30.4	6.94	17.8	2.24	22.0	16.1	31.5
2019	161.2	3.56	12.9	7.1	4.02	30.8	7.01	18.0	2.26	22.5	16.2	32.1
2020	163.3	3.59	13.1	7.0	4.01	31.3	7.08	18.2	2.28	23.0	16.3	32.8
2021	165.7	3.62	13.2	6.9	3.99	31.7	7.12	18.4	2.30	23.5	16.4	33.7
2022	167.8	3.65	13.1	6.9	3.97	32.2	7.18	18.6	2.32	24.1	16.5	34.5
2023	169.9	3.67	12.9	6.9	3.95	32.7	7.28	18.8	2.34	24.5	16.6	35.4
2024	172.0	3.70	12.8	7.0	3.93	33.2	7.39	19.0	2.37	25.0	16.8	36.2
2025	174.1	3.72	12.6	7.1	3.89	33.7	7.50	19.2	2.40	25.4	16.9	37.0

